GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1218
ANSWERED ON:27.11.2000
DRAFT OF NEW POWER POLICY
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Will the Minister of POWER be pleased to state:

(a) the salient features of the new power policy;

(b) whether the Government have received certain suggestions from public representatives regarding new power policy;

(c) if so, the details thereof; and

(d) the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : The Central Government have taken the following initiatives in the power sector in the last one year :-

1. In the Chief Ministers/Power Ministers Conference held on 26th February, 2000 itwas resolved that reforms must be undertaken to show results within the next 2-3 years. The key elements of the reforms strategy are :-

(i) Energy Audit at all levels.

(ii) Time bound programme of 100% metering of all consumers by December, 2001.

(iii) Reduction and finally, elimination of power theft within a specified period.

(iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as a unit on priority basis.

If the above appears unattainable in the existing set up, corporatisation/co- operatisation/privatization of distribution would have to be undertaken.

2. A scheme for creation of a special fund for Accelerated Power Development Programme (APDP) has been initiated in order to give a fillip to the reforms process in the power sector. The scheme proposes to cover activities related to renovation and modernization (R&M)/life extension/uprating of generating stations (both thermal and hydel) and strengthening of sub-transmission and distribution system including metering.

3. The Ministry of Power has signed Memorandum of Agreement/Undertaking withGovernments of Karnataka, Uttar Pradesh and Madhya Pradesh committing assistance to these States on fulfillment of the mutually agreed milestones of reforms. In terms of the agreements, the States are to undertake measures like segregation of transmission and distribution, commercial viability in distribution, energy audit, metering and full support to the regulatory commissions. In reciprocation, Government of India has committed support which includes additional allocation of power from Central generating stations, enhanced financial assistance for improvement in transmission, sub-transmission and distribution system for reducing T&D losses as well as improving the quality of power supply.

4. The financial institutions are being persuaded to finance new power projects not on the basis of escrow but on the basis of agreed reform milestones.

5. A Committee has been set up to suggest ways and means to reduce costs of delivered power.

6. A Group of Ministers is going into the issue of accelerating the pace of rural electrification and also to review existing schemes.

The Ministry of Power is seeking public participation towards evolving a socialand political consensus for addressing the problems of the power sector and finding pragmatic solutions.